Written Statement of Taryn Morrissey
Associate Professor, School of Public Affairs, American University
Before the Committee on Education and Labor
United States House of Representatives
Subcommittee on Early Childhood, Elementary, and Secondary Education Hearing:
Solving America’s Child Care Crisis: Supporting Parents, Children, and the Economy
February 6, 2020
Chairman Sablan, Ranking Member Allen, and distinguished members of the Subcommittee,

thank you for the opportunity to provide testimony and for convening today’s hearing on the challenges confronting American families in finding and paying for early care and education.

My name is Taryn Morrissey, and I am an Associate Professor in the School of Public Affairs at American University in Washington, D.C. My research focuses on early care and education policy and its effects on children and families, especially the role of early learning in expanding opportunity and narrowing socioeconomic inequalities in the United States.

Today, I will talk about the problems families confront in accessing high-quality, reliable, affordable early care and education, and the consequences for children, their parents, and the U.S. economy. I focus on two points:

1. High-quality early care and education is hard to find and unaffordable for many families across the income spectrum.

2. Our underinvestment in early care and education perpetuates and widens economic inequality among children, parents, and early care and education workers.

The bottom line is that the lack of affordable, high-quality early care and education is a lost opportunity – for supporting children’s development, for supporting parents’ employment, and for supporting economic growth and narrowing inequality.

In 2017-2018, most children in the United States under 6 years of age—57% in married-couple households and 68% of those in single-mother households—lived in homes in which all parents were employed.¹ Most of these parents as well as others enrolled in school and training programs rely on child care. In a typical week in 2011 (when these data were last reported), 61% of children under age 5 attended some type of regular child care arrangement.²

But high-quality early care and education—or any licensed arrangement—is hard to find. We know from a wealth of research that high-quality care and education during the early years, a unique time of rapid brain development and growth,³,⁴ promotes children’s development and
learning, and holds promise in narrowing the socioeconomic and racial/ethnic inequalities that emerge early, well before children walk through the doors of their Kindergarten classrooms. Licensed and center-based child care settings that meet staff-child ratios, teacher training requirements, and other regulations are more likely to provide high-quality, stable care than less formal arrangements, but about half of people in the United States live in child care deserts, or communities in which there are more than 3 young children for every slot in a licensed child care program. Americans in low-income and rural communities are more likely to face low a supply of licensed care. Moreover, those looking for infant care or care during nontraditional hours like nights or weekends are likely to find long waitlists or no regulated options at all.

Even if they can find early care and education, it's hard for most families to afford. Families pay substantial proportions of their incomes, in some regions more than housing, on child care. The U.S. Department of Health and Human Services recommends that families’ out-of-pocket child care expenses not exceed 7% of family income, but families below the poverty line spend roughly 30% of their incomes on child care, and higher-income families spend between 8% and 18% of their incomes on child care, averaging $167 per week, or nearly $9,000 a year (in 2019 dollars). Regulated settings and center care cost even more than informal arrangements. In 30 states and the District of Columbia, the average annual cost of center care for an infant—nearly $12,000 nationally—is higher than in-state college tuition and fees. These high child care costs come at a time when parents are at the lowest earning years of their careers, and when the financing mechanisms of grants and low-interest loans like those for college are unavailable.

It is not surprising, then, that high-income children are much more likely to attend preschool and center-based care, and generally higher-quality arrangements, than their lower-income peers (see Figure 1). We know that high-income families are spending more on their children during the early childhood years in particular, and high-income families are increasingly choosing to enroll their children in center care at younger ages. Among children under 5 with employed mothers, only 28% of those in homes under the poverty line attend center-based care vs. 39% of those above the poverty line. But, these enrollment disparities are not limited to children in poverty. In 2011, only two-thirds of four year olds in moderate-
income families (200-400% of the Federal Poverty Level [FPL]) attended center-based early learning programs, compared to more than 80% of those in higher-income families (400% FPL or higher). At the same time, the achievement gap between children from high-income and those from middle- and low-income families has widened, and it appears that greater inequality in parents’ earnings is associated with these increased differences in children’s achievement. Researchers estimate that increasing enrollment in early childhood education would yield economic benefits in terms of higher earnings as adults and reduce economic inequality.

Figure 1. Rates of center-based early care and education for children ages 0 to 5, by family income and child age (2011).

Why is child care, especially high-quality care, so expensive and sparse? Because the quality of early care and education depends on the warmth and responsiveness of teachers and caregivers and of the strength and consistency of adult-child relationships, economies of scale do not apply to child care in the same way as with other economic sectors. For good reason, state and local regulations set child-adult ratios, group sizes, and teacher training requirements. In turn, most child care costs are directed to labor expenses (see Figure 2).
Despite parents paying as much as (or more than) they can afford, child care would actually cost \textit{more} if child care workers received adequate wages. In 2018, the median hourly wage for child care workers was $11.17,\textsuperscript{38} considerably less than the $16.56 median hourly wage for bus drivers.\textsuperscript{39} Further, there are wide racial and ethnic gaps in teacher pay and benefits such as health insurance coverage and paid sick leave.\textsuperscript{40} Many child care workers earn so little that they receive public assistance. Between 2014 and 2016, more than half (53\%) of child care workers lived in families that participated in one or more of four public programs,\textsuperscript{ii} compared to 21\% in the general population.\textsuperscript{41} While child care workers do the best they can under difficult conditions, low pay and few benefits present barriers in attracting and retaining a skilled early care and education workforce. Teacher educational qualifications and stability are associated with the quality of early childhood settings, and in turn, a wide range of children’s outcomes,\textsuperscript{42–46} but worker turnover is high. In 2012, 25\% of child care centers had turnover rates of 20\% or higher.\textsuperscript{8}

\textit{So how do families manage, faced with too few, high-cost child care options?} Parents make it work, but often at a high cost to themselves and their families, financially and in other ways. Some pay high child care costs and trade off other expenses, or delay having more children.\textsuperscript{47}
Many families patch together several different child care arrangements with relatives, friends, and neighbors, some of which parents may choose for their children, but others out of necessity, with variable quality. Unfortunately, too many children spend their days in mediocre, low-quality, or unstable care. For example, only 55% of regulated and 28% of paid, unregulated home-based arrangements report using curricula or planned learning and play activities. The lack of high-quality options represents a missed opportunity for promoting children’s readiness to enter Kindergarten and their long-term academic, educational, economic, and health outcomes.

The lack of affordable, reliable child care also negatively affects parents’ work, family income, and economic growth. Just like affordable, reliable transportation, affordable, reliable child care is an economic infrastructure component essential for many parents, including myself, to get to work. A breakdown in child care can mean losing a shift at work, or even losing a job, with cascading negative effects on economic stability, security, and family wellbeing. A 2018 survey found that 86% of parents reported that problems with child care hurt their efforts at work, and more than one-in-ten had been demoted, transferred, or fired due to a lack of infant/toddler child care. And, some parents, more often mothers, drop out of the workforce all together, at a high cost to themselves and their families in lost wages, benefits, and retirement savings. If and when they re-enter the workforce, parents face barriers and wage penalties for taking the time with their children. The United States loses an estimated $57 billion each year in lost earnings, productivity, and revenue from the lack of affordable, reliable, high-quality child care.

There are effective policy solutions that improve families’ early care and education options, but they lack the funding needed to reach families and support quality. Research shows that existing public programs like child care subsidies, state pre-K programs, and Head Start increase children’s enrollment in preschool and center care and when high-quality, support children’s short- and long-term development. We also know that programs like child care subsidies that reduce parents’ child care costs increase parental labor force participation, particularly in low-income and single-mother households. Moreover, early care and education is a large economic sector itself, generating an estimated $47 billion a year in direct output and
employing over 2 million Americans, and research shows that investments in child care have economic development or multiplier effects, meaning that each dollar invested generates local economic activity.

But our public programs currently reach only a small fraction of children who might benefit. In 2016-2017, 44% of four-year-olds and 16% of three-year-olds were enrolled in Head Start or public preschool programs, and only about 10% of infants and toddlers in poverty attended Early Head Start. In 2015, of the 13.5 million children eligible for child care subsidies (using federal rules), only 15% received them, and there are racial and ethnic inequities in subsidy participation.

The 2014 reauthorization of the Child Care and Development Block Grant (CCDBG) was an important step toward improving child care quality and expanding access to child care subsidies. Several states such as Washington, Oregon, and California are investing more in early childhood, building on the federal-state partnership of the CCDBG. These recent increases in public funding are important but have not made up for years of flat funding. Due to inflation, the subsidy program steadily served fewer and fewer children, enrolling an all-time low number of children in 2017 (an average of 1.3 million per month). More public investment is needed to help ease the cost burden for families and ensure that a trained, stable workforce has adequate compensation. Solutions need to be flexible enough to meet families’ diverse needs and help address the supply gaps we see today, such as care during nonstandard hours and for children with special needs, and to address the needs of families across the income spectrum. Low-income families struggle with the economic burdens of child care, but middle-income families are also economically squeezed during the years in which their children are young.

In closing, increased access to affordable, high-quality, reliable early care and education can promote children’s development, support parents’ employment, increase economic growth, and narrow socioeconomic inequalities.

Thank you for the opportunity to testify here today.
References


---

i Child Care Aware (2019) reports that in the Northeast, Midwest, and South, average annual child care expenses were more than average housing costs.

ii The Earned Income Tax Credit (EITC), Medicaid or the Children’s Health Insurance Program (CHIP), the Supplemental Nutrition Assistance Program (SNAP), or Temporary Assistance for Needy Families (TANF).

iii In 2017, 1.6 million 3 and 4 year olds were enrolled in a state pre-K program and 706,000 3 and 4 year olds were enrolled in Head Start.